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June 7, 2007

Ref: 394-23423

Honorable James H. Welsh Commissioner of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re:

Hearing Application Cib Carst Zone, Reservoir A, SUB COQUILLE BAY FIELD, Plaquemines Parish, Louisiana Applicant: Clayton Williams Energy, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Clayton Williams Energy**, **Inc.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Cib Carst Zone, Reservoir A, SUB, Coquille Bay Field, Plaquemines Parish, Louisiana

- 1. To dissolve the existing drilling and production unit created as the Cib Carst Zone, Reservoir A, SUB, by Office of Conservation Order No. 890-T, effective June 7, 2005 and to simultaneously create a revised single drilling and production unit of approximately 93 acres for the Cib Carst Zone, Reservoir A, SUB, designated as the CIB C RA SUB in the Coquille Bay Field, Plaquemines Parish, Louisiana, all as shown more particularly on the attached plat;
- To establish rules and regulations governing the exploration for and production of gas and condensate from the said revised sand unit;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
- 4. To further define the CIB C RA SUB created by Office of Conservation Order No. 890-T, effective June 7, 2005;
- To confirm Clayton Williams Energy, Inc. as operator for the CIB C RA SUB;
- 6. To find that, except to the extent contrary to the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 890-T shall remain in full force and effect;

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- 7. To provide that the Commissioner of Conservation should be authorized to reclassify the sand and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of each reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation, and
- 8. To consider such other matters which may be pertinent to this application as shown by the evidence presented at the hearing held on this matter.

The Cib Carst Zone, Reservoir A, SUB in the Coquille Bay Field, Plaquemines Parish, Louisiana, was previously defined by Office of Conservation Order No. 890-T, effective June 7, 2005 and is hereby further defined as being that gas and condensate bearing zone encountered between the measured depths of 11,517 feet and 12,146 feet (electrical log measurements) in the Clayton Williams Energy, Inc.-S.L. 195 "QQ" No. 3 Well, located in Section 23, Township 19 South, Range 19 East, Plaquemines Parish, Louisiana.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on May 21, 2007. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference.

The conference was opened by Mr. B. J. Duplantis. Mr. Bill McAlister of Leon Comeaux & Associates presented the plan of applicant. Mr. Doffie Ross on behalf of Martin-Marks Operating, LLC presented a plat of 82 acres for the CIB C RA SUB. The parties will continue to attempt to reconcile their differences. Questions were asked and answered. There may be opposition at the public hearing on this matter.

Attached hereto and made a part hereof is a plat outlining the CIB C RA SUB, Coquille Bay Field, Plaquemines Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this hearing application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request. Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Bill McAlister of Leon Comeaux & Associates, P. O. Box 53922, Lafayette, LA 70505 (337) 233-9839.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

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BJD/ht

Attachments

cc: Mr. Richard Hudson

District Manager, Office of Conservation

All Interested Owners, Represented Parties and Interested Parties

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